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ATTRIBUTES PRICE STABILIZATION TO BANK DEPOSITS; FLUID CAPITAL FLIGHT CONTINUES

DEPOSITS TOP ONE TRILLION YUAN -- Canton Nan-fang Jih-pao, 4 May 50

Hankow, 2 May -- From the establishment of provincial and city branches of the People's Bank and various trade treasuries in Central and Southern China up to the end of April total deposits in these financial establishments amounted to more than 1,270,000,000,000 yuan; end as a result of these deposits, prices of commodities nave virtually been stabilized. A breakdown of the deposits shows the following:

People's Bank, with seven branches, 426 sub-branches, and 18 receiving offices, had deposits of 547.7 billion yuan from selling government bonds, and 370 billion yuan from taxes, as of 26 April 1950.

Railroad treasuries, with branches at Cheng-chou, Hankow, Ch'ang-sha, Heng-yang, and Canton, had 103 billion yuan, as of 20 April 1950.

Industrial treasuries, with eight branches and 80 sub-branches, had deposits of 250 billion yuan, as of 20 April 1950.

Communication treasuries, with Hankow and Canton branches, had deposits of 4.8 billion yuan, as of 20 April 1950.

Additional Communication treasuries are to be established in Cheng-chou, Ch'ang-sha, Nan-ch'ang, I-ch'ang, and Nan-ning in May, while treasuries for the postal service and fuel industry are to be established soon.

TAXATION, FEAR PROMPT CAPITAL FLIGHT -- Hong Kong Hsing-tao Jih -- pao, 27 Apr 50

The following reasons are given for the flight of capital from the mainland by a Hong Kong expert in currency matters: (1) unstable conditions and fear of effects of bombings; (2) continued closings not only of industries,

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but of banks, amounting in Shanghai to half the total number of banks; and (3) excessive taxation.

The methods by which the capital transfers are made vary. Some invest in goods which are then moved out in many small lots that do not attract attention or are carried as personal effects. Others manipulate exchange rates to build up a balance in Hong Kong. Still others smuggle goods out of the country or transmit funds by means of underground banking operations.

In these various ways, funds are being transferred out of Peiping, Tientsin, Tsingtao, Shanghai, and Canton. Naturally it is difficult to ascertain the total quantity, but it is known to be greater than the amount of foreign exchange entering China.

HONC KONG REPORTS FIRST-QUARTER FOREIGN TRADE -- Hong Kong Wen-hui Pao, 27 Apr 50

The leading items in Hong Kong's foreign trade, and the countries concerned, for the first quarter of 1950, were as follows (in Hong Kong dollars):

Items	Imports	Exports
Cotton textiles	64,000,864	41,010,169
Textile industry raw materials Cotton yarn, thread	54,685,596 53,026,361	46,998,302 42,656,182
Chemicals, drugs, pharmacouticals Fuel, lubricating oils	51,550,662 40,102,581	31,213,383 31,551,437
Miscellaneous manufac- tures Faperboard, pulp Steel, iron	33,025,895 32,794,293 31,414,546	29,317,771 26,949,543 13,375,285
Animal and vegetable oils Cereal manufactures	29,847,513 28,427,636	22,451,633 16,864,118

The chief countries involved and their imports and exports in Hong Kong dollars were as follows:

Countries	Imports	Exports
United Kingdom US North China India South China Thailand Malaya Australasia Pakistan Central China	116,744,557 170,223,372 92,105,991 84,450,571 34,724,770 34,241,521 33,813,846 27,700,351 24,316,685 21,249,664	34,000,545 84,697,400 110,442.216 3,662,392 61,553,871 17,770,896 71,535,995 9,429,934 11,910,400 104,862,878
Totals for quarter with whole world	853,413,042	681,724,752

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